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Rio Tinto steps up ESG efforts but Apache people protest Resolution Copper project in Arizona

The miner is trying to restore trust with the Aboriginal community after dynamiting heritage areas in Australia, but is going ahead with a US project that is angering Native Americans



Rio Tinto PLC (LON:RIO) has highlighted its effort to restore trust with the Puutu Kunti Kurrama and Pinikura people after dynamiting the Juukan Gorge heritage areas to access iron ore.

Giulia Bottaro

15:23 Wed 17 Feb 2021

The FTSE 100 group commented it does not underestimate "the time and effort it will take for us to help restore trust and rebuild our reputation" following the blast of 46,000-year-old rock shelters in Australia's Pilbara region.

It has almost completed implementing the recommendations of the board review of cultural heritage management alongside other measures.

Rio Tinto has collaborated with the Puutu Kunti Kurrama and Pinikura people for a rehabilitation programme for the rock shelters, as well as assessing ways to protect the area for the future, including a permanent mining moratorium.

The artefacts previously uncovered from the rockshelters were moved to a purpose-built facility.

In the long-term, the mining giant is looking to build a more inclusive and diverse work culture and has committed to invest US\$50mln to increase employment opportunities for Indigenous Australians.

However, Rio Tinto is going ahead with the Resolution Copper project in Arizona, which is being contested by the Apache people.

Oak Flat would be turned into a two-mile wide crater over a thousand feet deep, where the Native Americans say they won't be able to practice their religion.

The area will become private property on March 11, so the protestors note that Apaches praying there will be subject to arrest and prosecution for criminal trespass.

Last week, District Court Judge Steven Logan denied a request by non-profit organisation Apache Stronghold to prevent Rio Tinto from going ahead with plans because they are not officially designated as a 'sovereign nation'.

He added that they are not being "coerced to act contrary to their religious beliefs by the threat of civil or criminal sanctions".

"To say that we are not being coerced is not accurate as I am living there, we are praying there, yet if Rio Tinto gets Chi'chil Bildagoteel and the land becomes private property on March 11, we will be arrested for criminal trespass on our own Sacred Land," said Apache Stronghold leader and former San Carlos Apache Tribal Chairman Dr. Wendsler Nosie, Sr.

On Wednesday, the miner said that it is "committed to ongoing stakeholder engagement in our effort to seek consent to progress the project consistent with the International Council on Mining and Metals Statement on Indigenous Peoples and Mining".

"My new executive team and wider leadership of the company are all committed to unleashing Rio Tinto's full potential," said chief executive Jakob Stausholm, the successor of Jean-Sebastien Jacques, who left after the scandal at Pilbara.

"We will increase our focus on operational excellence and project development and strengthen our ESG credentials."

Ben Davis, analyst at Liberum, told Proactive there is no reason why the project should harm Rio Tinto's ESG credentials if it's done correctly.

"That being said there will nearly always be opposition to mining, but it is up to the local authorities whether to permit the project or not," he added.

Peter McNally, global sector lead for industrials, materials & energy at research house Third Bridge, said that the new senior management is "keenly aware of the reputational and environmental risks in their operations".

"Capital spending is on the rise at Rio Tinto and with that, so are the risks of a failure similar to what happened at Juukan Gorge in Australia," he told Proactive.

Rio Tinto did not reply for comment.